

Message Text

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PAGE 01 HONG K 00818 01 OF 02 221138Z

13

ACTION EA-10

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CINCPAC FOR POLAD

E.O. 11652: N/A

TAGS: ECON, CH

SUBJECT: ECONOMIC ASPECTS OF CHINA'S NPC (FIRST OF A

SERIES: THE CONSTITUTION

SUMMARY: THE ECONOMIC ASPECTS OF THE NEW PRC CONSTITUTION ESTABLISH A NOTABLY MODERATE AND FLEXIBLE STRUCTURE FOR IMPLEMENTING ECONOMIC POLICY. THE NEW CONSTITUTION, IN CHANG CHUN-CHIAO'S WORDS, REFLECTS THE "TREMENDOUS CHANGES" THAT HAVE TAKEN PLACE IN CHINA SINCE THE FORMER CONSTITUTION OF 1954. AS SUCH, IT REFLECTS THE OBVIOUS MOVEMENT TO COLLECTIVIZATION AND SOCIALISM SINCE THEN BUT WHEN VIEWED AGAINST RECENT EVENTS, SUCH AS THE CULTURAL REVOLUTION AND ITS AFTERMATH, IT APPEARS TO REPRESENT A VICTORY FOR THE MODERATES. END SUMMARY.

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PAGE 02 HONG K 00818 01 OF 02 221138Z

1. OUR ASSESSMENT OF THE MORE IMPORTANT ECONOMIC FEATURES OF THE NEW PRC CONSTITUTION INDICATES THAT IT REFLECTS THE OBVIOUS MOVEMENT TOWARD COLLECTIVIZATION AND SOCIALISM WHICH HAS OCCURRED SINCE THE FIRST CONSTITUTION OF 1954. IN CHANG CHUN-CHIAO'S WORDS, " TREMENDOUS CHANGES HAVE TAKEN PLACE IN CHINA'S POLITICS, ECONOMY, CULTURE AND IN INTERNATIONAL RELATIONS SINCE 1954" AND THESE MADE SOME PARTS OF THE 1954 CONSTITUTION "NO LONGER SUITABLE."

2. OWNERSHIP - GOVERNMENT ADMINISTRATION HAS BEEN PUSHED DOWN ONE LEVEL (FROM THE COUNTY TO THE COMMUNE) AND INDIVIDUAL OWNERSHIP HAS BEEN ELIMINATED EXCEPT FOR HOUSES AND THE MEANS FOR PERSONAL LIVELIHOOD. WHEREAS THE 1954 CONSTITUTION IN ARTICLE 5 PROVIDED FOR FOUR BASIC FORMS OF OWNERSHIP, THE NEW CONSTITUTION IN ARTICLE 5 SAYS THERE ARE "MAINLY" TWO KINDS OF OWNERSHIP OF THE MEANS OF PRODUCTION "AT THE PRESENT STAGE": SOCIALIST OWNERSHIP BY THE WHOLE PEOPLE AND SOCIALIST COLLECTIVE OWNERSHIP BY WORKING PEOPLE. IN RURAL PEOPLE'S COMMUNES, DESCRIBED IN ARTICLE 7 AS ORGANIZATIONS WHICH INTEGRATE GOVERNMENT ADMINISTRATION AND ECONOMIC MANAGEMENT, THE ECONOMIC SYSTEM OF COLLECTIVE OWNERSHIP "AT THE PRESENT STAGE GENERALLY" TAKES THE FORM OF THREE-LEVEL OWNERSHIP (COMMUNE BRIGADE AND TEAM) WITH THE PRODUCTION TEAM BEING BOTH THE BASIC LEVEL AND THE BASIC ACCOUNTING UNIT.

3. CURRENT PRAGMATISM- IN AN OBVIOUS BOW TO VIEWS THAT CONTINUE TO BE STRONGLY HELD BY THE PEASANTRY, ARTICLE 7 PROVIDES THAT COMMUNE MEMBERS MAY FARM "SMALL PLOTS" FOR THEIR PERSONAL NEEDS, ENGAGE IN "LIMITED"HOUSEHOLD SIDELINE PRODUCTION AND, IN PASTORAL AREAS, KEEP A SMALL NUMBER OF LIVESTOCK, AGAI, FOR THEIR PERSONAL NEEDS. EVEN THESE PRIVILEGES, HOWEVER, ARE CONDITIONAL ON THE "DEVELOPMENT AND ABSOLUTE PREDOMINANCE" OF THE COLLECTIVE ECONOMY OF THE PEOPLE'S COMMUNE BEING "ENSURED."

4. IN HIS REPORT ON THE CONSTITUTION, VICE PREMIER CHANG CHUN-CHIAO, WHO PRESUMABLY SPOKE FOR THE LEFT, ASSERTED STRONGLY -- AND RATHER DEFENSIVELY, WE THOUGHT -- THAT THESE LIMITED OFFICIAL USE

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PAGE 03 HONG K 00818 01 OF 02 221138Z

POLICIES ARE "SHARPLY DEMARCATED" FROM THE REVELANT "FALLACIES" OF LIN PIAO AND LIU SHAO-CHI. FURTHERMORE, HE JUSTIFIED THEM BY SAYING THEY " INTEGRATE THE PRINCIPLE OF ADHERENCE TO SOCIALISM WITH THE NECESSARY FLEXIBILITY."

5. BUT THE FUTURE COULD BE DIFFERENT - CHANG'S JUSTIFICATION OF CURRENT POLICIES AS PROVIDING "NECESSARY FLEXIBILITY" SUGGESTS A RELUCTANT ACCEPTANCE OF THEM AS INTERIM

EXPEDIENTS ON THE WAY TO THE LONG-TERM GOAL OF SOCIALISM. ALSO, THE PHRASE "AT THE PRESENT STAGE" IN BOTH ARTICLES 5 AND 7 CONVEYS THE SENSE THAT FURTHER MOVEMENT TOWARD OWNERSHIP AT HIGHER LEVELS OF COLLECTIVIZATION IS THE INTENDED GOAL FOR SOME UNSPECIFIED FUTURE DATE. THIS IMPRESSION IS REINFORCED BY THE LANGUAGE REGARDING INDIVIDUALS. WITHIN CERTAIN LIMITS THE STATE MAY ALLOW NON-AGRICULTURAL INDIVIDUAL LABORERS IN BOTH URBAN AND RURAL AREAS TO ENGAGE IN "INDIVIDUAL LABOR INVOLVING NO EXPLOITATION OF OTHERS," BUT AT THE SAME TIME THEY SHOULD BE "GUIDED" ONTO THE ROAD OF SOCIALIST COLLECTIVIZATION "STEP BY STEP."

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PAGE 01 HONG K 00818 02 OF 02 221138Z

13

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LIMITED OFFICIAL USE SECTION 2 OF 2 HONG KONG 818

CINCPAC FOR POLAD

6. WORKING RIGHTS -- IN THE 1954 CONSTITUTION, WORKWAS "A MATTER OF HONOR" AND THE STATE "ENCOURAGED" CITIZENS TO BE ACTIVE AND CREATIVE IN IT. IN 1975 ARTICLE

9 SAYS BLUNTLY THAT "HE WHO DOES NOT WORK, NEITHER SHALL HE EAT," AND "TO EACH ACCORDING TO HIS WORK." BOTH PHRASES ARE IDEOLOGICALLY APPROPRIATE TO A STAGE PRIOR TO COMMUNISM, BUT THEIR INCLUSION IN THE CONSTITUTION SUGGESTS A CLEAR ACCEPTANCE OF A LONGISH INTERIM PERIOD. ARTICLE 9 PROTECTS THE CITIZENS' RIGHT TO OWNERSHIP OF HOUSES AND "OTHER MEANS OF LIVELIHOOD." BUT THERE IS NO RIGHT TO INDIVIDUAL OWNERSHIP OF THE MEANS OF PRODUCTION NOR ANY RIGHT TO INHERIT PRIVATE PROPERTY, BOTH OF WHICH HAD BEEN GUARANTEED BY THE 1954 CONSTITUTION.

7. AS IN 1954, THE 1975 CONSTITUTION, IN ARTICLE 27, LIMITED OFFICIAL USE

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PAGE 02 HONG K 00818 02 OF 02 221138Z

CONFERS ON CITIZENS THE RIGHT TO WORK, TO EDUCATION, AND TO OLD AGE AND DISABILITY ASSISTANCE. IN A STRIKING DEPARTURE FROM PAST FORM WHICH IS SAID TO BE IN ACCORDANCE WITH CHAIRMAN MAO'S PROPOSAL, "FREEDOM TO STRIKE" IS NEWLY ADDED (ARTICLE 28). IT IS DIFFICULT TO BELIEVE THAT WORKERS WILL BE ALLOWED TO STRIKE OVER WAGES, HOURS AND WORKING CONDITIONS. MORE LIKELY IS ITS USE --ALONG WITH BIG CHARACTER POSTERS -- TO ATTACK MANAGEMENT OVER LARGER POLICY ISSUES " IN SOME ENTERPRISES" WHERE, AS VICE PREMIER CHANG HUN-CHIAO PUT IT, THE FORM IS THAT OF SOCIALIST OWNERSHIP BUT WHERE "IN REALITY" LEADERSHIP IS NOT THE HANDS OF "MARXISTS AND THE MASSES OF WORKERS."

8. THE PLA IS SIMULTANEOUSLY A WORK FORCE - WHILE THE PLA IS "AT ALL TIMES" A FIGHTING FORCE, ARTICLE 15 ALSO SAYS THAT IT IS "SIMULTANEOUSLY A WORKING FORCE AND A PRODUCTION FORCE." WHILE VAGUE, THIS FORMULATION ANNOTATES THE PLA'S ROLE IN PRODUCING ITS OWN FOOD, OPENING UP NEW LANDS, HELPING IN EMERGENCIES(ESPECIALLY THOSE INVOLVING A NEED FOR TRANSPORTATION AND A DISCIPLINED BASIC WORK FORCE), CONDUCTING CIVIC ACTION, AND PLAYING A BACKBONE ROLE IN LOCAL PROJECTS. IT MAY ALSO, OF COURSE, FORESHADOW SOME INCREASE IN THESE KINDS OF ACTIVITIES FOR THE PLA, PARTICULARLY AS CONSTRUCTION PROJECTS BULK LARGE IN THE REQUIREMENTS FOR INCREASED AGRICULTURAL AND INDUSTRIAL OUTPUT.

9. CONCLUSION - THE 1975 CONSTITUTION, LIKE THE 1954 ONE, PRAGMATICALLY GUARANTEES THE STATUS QUO BECAUSE THAT IS NECESSARY TO PLACATE THE VAST MAJORITY OF THE POPULATION. AS IN 1954, HOWEVER, IT ALSO CARRIES INDICATIONS OF GOALS AND POLICIES THAT WOULD CONTINUE TO CHIP AWAY AT THE INDIVIDUAL'S AUTONOMY IN THE ECONOMIC SPHERE.
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